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FM AMEMBASSY RANGOON  
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INFO RUCNASE/ASEAN MEMBER COLLECTIVE  
RUEHBK/AMEMBASSY BANGKOK 3014  
RUEHBJ/AMEMBASSY BEIJING 2371  
RUEHBY/AMEMBASSY CANBERRA 2149  
RUEHKA/AMEMBASSY DHAKA 5290  
RUEHLO/AMEMBASSY LONDON 2214  
RUEHNE/AMEMBASSY NEW DELHI 5622  
RUEHUL/AMEMBASSY SEOUL 9219  
RUEHTC/AMEMBASSY THE HAGUE 0842  
RUEHKO/AMEMBASSY TOKYO 6797  
RUEHCN/AMCONSUL CHENGDU 1880  
RUEHCHI/AMCONSUL CHIANG MAI 2259  
RUEHCI/AMCONSUL KOLKATA 0728  
RHHMUNA/CDR USPACOM HONOLULU HI  
RUEKJCS/JOINT STAFF WASHDC  
RUCNDT/USMISSION USUN NEW YORK 2597  
RUEHGV/USMISSION GENEVA 4603  
RUEATRS/DEPT OF TREASURY WASHDC  
RUEKJCS/DIA WASHDC  
RUEAIIA/CIA WASHDC  
RHEHNSC/NSC WASHDC  
RUEKJCS/SECDEF WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 000441

SIPDIS

STATE FOR EAP/MLS, INR/EAP, EEB/TFS  
PACOM FOR FPA  
TREASURY FOR OASIA, OFAC  
BANGKOK FOR USAID/RDMA GVP OFFICE

E.O. 12958: DECL: 07/15/2019  
TAGS: [ECON](#) [EFIN](#) [EAIR](#) [ETRD](#) [ECPS](#) [PREL](#) [PINR](#) [BM](#)  
SUBJECT: BURMA: TAY ZA'S COMPANIES MARKET GEMS, CELL PHONE  
TECHNOLOGY

REF: RANGOON 333

RANGOON 00000441 001.2 OF 002

Classified By: Economic Officer Samantha A. Carl-Yoder for Reasons 1.4  
(b and d).

Summary

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11. (C) Regime crony Tay Za, at the behest of the regime, is working with the Myanmar Gem Traders Association to promote Burmese jade and gems at the ASEAN International Gem Emporium in Kunming. According to Air Bagan staff, Tay Za is leading the Burmese gem delegation and flew 40 merchants and their gem stocks to Kunming free of charge. Several of Tay Za's companies, including Htoo Trading, Central Marketing Company, and Myanmar Avia Services, continue to expand their control over Burma's mobile telecommunications sector through sales of GSM and CDMA mobile phone SIM cards. End Summary.

Tay Za: the New Face of Burmese Gems?  
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12. (C) Burma is well represented at the ASEAN International Gem Emporium in Kunming, which began on July 10. According to U Zaw Win, Air Bagan consultant, the senior generals requested that Tay Za lead the delegation, despite his lack of knowledge about gems and jade. (Note: Tay Za owns several jade mines in Phakhant, but his businesses do not yet engage in the sale or marketing of jade and gems.) Tay Za graciously volunteered to fly the entire delegation, 40 merchants plus family members, and their jade and gem stocks

to Kunming free of charge on his Fokker 100, U Zaw Win stated. Tay Za was allegedly happy to take on this role, he observed.

13. (C) According to MK Jewelers Managing Director Nay Min Han, the majority of the gem merchants who traveled to Kunming are private jade traders, rather than established gem dealers with shops in Rangoon. He observed that the regime selected the participants, who are members of the Myanmar Gem Traders Association, based on their sales history with Chinese merchants. He also speculated that since Burmese Customs likely did not inspect the contents of Tay Za's plane, he or any of the merchants could have smuggled to China some of the highest quality stones, which are often sold by general's wives and regime cronies in Singapore (Reftel).

#### Conquering the Telecommunications Industry

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14. (C) In December 2008, Tay Za's Central Marketing Co. Ltd. (which is listed as a member of the Htoo Group of Companies on Tay Za's business card) launched Burma's first pre-paid SIM cards, expanding the availability of mobile phone service. According to Than Than Htay, Central Marketing Co. Ltd. General Manager, Central Marketing Co. Ltd., through its distributors and Tay Za's hotel franchises, sells one-month (cost USD 20) and two-week (cost USD 10) validity pre-paid GSM (Global System for Mobile Communications) SIM cards. While Central Marketing Co. Ltd. officials expected that tourists would purchase the majority of cards, Than Than Htay noted that Burmese living in Rangoon

RANGOON 00000441 002.2 OF 002

are the primary users. These cards can only be used in Burma's larger cities, since the GSM network is still underdeveloped. She noted that Central Marketing Co. Ltd. has sold more than 370,000 one-month GSM cards since December.

15. (C) Than Than Htay confirmed that Central Marketing Co. Ltd. began selling one-month pre-paid CDMA (Code Division Multiple Access Communications) SIM cards in July; each card costs USD 50. To date, Central Marketing Co. Ltd. has sold 2,000 CDMA cards, primarily to locals living in Rangoon. Central Marketing plans to expand sales of both CDMA and GSM cards to Mandalay during the next three months, she stated. Than Than Htay predicts sales of CDMA cards will boom, since CDMA technology has a wider range and can be used in more remote areas.

16. (C) Than Than Htay also confirmed that another Tay Za company, Myanmar Avia, will work with state-owned Myanmar Post and Telecommunications, to manufacture both CDMA and GSM SIM cards at its factory at the Yadanabon Cyber City in Pyin Oo Lwin (outside of Mandalay). She refused to speculate about rumors that Tay Za's companies would assume responsibility for Burma's mobile phone industry, but acknowledged that several of Tay Za's companies are in talks with the government about future services.

17. (SBU) The following is contact information for Central Marketing Co., Ltd:

-- Central Marketing Co., Ltd; 5 Pyay Rd, Hlaing Township, Rangoon, 11052; phone: 95-1-500-344, 95-1-500-355; 95-1-502-627; 95-1 504-418; fax: 95-1-502-692; General Manager: Than Than Htay.

Comment

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18. (C) Tay Za and his companies continue to provide significant political and economic support to the regime. Embassy Rangoon urges the Department of the Treasury to add Central Marketing Co. Ltd. to the targeted sanctions list.

